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of 55 manufacturing plants in the USA and 51 plants in the same manufacturing industries in Japan confirms the bias that is inherent in this sample (see Lincoln *et al.*, 1986). The results of this research are consistent with the thrust of much writing on Japanese industrial organization and relations (see e.g. Meyer and Rowan, 1977; Carroll and Huo, 1986). These writings show that the 'institutional environment' – the society's distinctive set of highly established and culturally bound action patterns and expectations – has a particularly strong influence on organizational forms in Japan.

Japanese organizational structures were found to differ in certain particulars from US designs. Compared with those in the USA, Japanese manufacturing organizations have taller hierarchies, less functional specialization and less formal delegation of authority, but more de facto participation in decisions at lower levels in the management hierarchy. These structures are consistent with the internal labour market processes (lifetime employment, seniority-based promotion) that characterize Japanese companies and the general emphasis on groups over individuals as the fundamental units of organization. These findings seem to indicate that organizational theories are 'culture bound', limited to particular countries or regions in their capacity to explain organizational structure.

The popularity of the culture-free approach has declined significantly in the past decade. Nowadays, most cross-national thinking and research focuses on difference rather than similarity. Instead of trying to find universally applicable practices, research warns against the ill-considered adoption of foreign ideas.

Particularistic Theories

The cultural approach

Comparative cultural research has expanded greatly in the past decade and a half. In part, this is a response to the biases of culture-free researchers, who have tended to focus on macro-level variables and structure context relationships, rather than the behaviour of people within the organization (Child, 1981). The move away from contingency theory and towards the cultural approach was also spurred by the globalization of markets and business. Greater integration and more dynamic commercial environments meant that structures could not remain static and individual cross-cultural interactions became more frequent. There was a need to understand the entirety of the organization and not just the structural features.

Culture-bound research is carried out at different levels of analysis. *Cross-cultural* research takes place at two distinct levels of analysis: individual and cultural. In comparative management studies, the focus is on the cultural rather than the individual level. Culture is considered to be a background factor, almost synonymous with country. Similar to contingency theory, this research has a macro focus, examining the relationship between culture and organization structure. However, in comparative management research, the concept of culture has also been expanded to include the organizational or corporate level. In this case, culture is considered to be an explanatory variable. This research has a micro focus, investigating the similarities and differences in attitudes of managers of different cultures.

Irrespective of the level of analysis, in social science there are two long-standing approaches to understanding the role of culture: (1) the *inside* perspective of ethnographers,

who strive to describe a particular culture in its own terms, and (2) the *outside* perspective of comparativist researchers, who attempt to describe differences across cultures in terms of a general, external standard. These two approaches were designated the *emic* and *etic* perspectives, respectively, by analogy to two approaches to language: phonemic analysis of the units of meaning, which reveals the unique structure of a particular language, and phonetic analysis of sound, which affords comparisons among languages (Pike, 1967).

The emic and etic perspectives have equally long pedigrees in social science. The emic, or inside, perspective follows in the tradition of psychological studies of folk beliefs (Wundt, 1888) and in cultural anthropologists striving to understand culture from 'the native's point of view' (Malinowski, 1922). The etic, or outside, perspective follows in the tradition of behaviourist psychology (Skinner, 1938) and anthropological approaches that link cultural practices to external, antecedent factors, such as economic or ecological conditions (Harris, 1979).

The two perspectives are often seen as being at odds – as incommensurable paradigms. An important reason for this perception lies in the differences in constructs, assumptions and research methods that are used by the two approaches (see Table 3). Emic accounts describe thoughts and actions primarily in terms of the actors' self-understanding – terms that are often culturally and historically bound. In contrast, etic models describe phenomena in constructs that apply across cultures. Along with differing constructs, emic and etic researchers tend to have differing assumptions about culture. Emic researchers tend to assume that a culture is best understood as an interconnected whole or system, whereas etic researchers are more likely to isolate particular components of culture, and to state hypotheses about their distinct antecedents and consequences.

As indicated, in general, both approaches use differing research methods.[2] Methods in emic research are more likely to involve sustained, wide-ranging observation of a single cultural group. In classical fieldwork, for example, an ethnographer immerses him or herself in a setting, developing relationships with informants and taking social roles (e.g. Geertz, 1983; Kondo, 1990). Emic description can also be pursued in more structured programmes of interview and observation.

Methods in etic research are more likely to involve brief, structured observations of several cultural groups. A key feature of etic methods is that observations are made in a parallel manner across differing settings. For instance, matched samples of employees in many different countries may be surveyed to uncover dimensions of cross-national variation in values and attitudes (e.g. Hofstede, 1980), or they may be assigned to experimental conditions in order to test the moderating influence of the cultural setting on the relationship among other variables (e.g. Earley, 1989).

The divide between the emic and the etic approaches persists in contemporary scholarship on culture: in anthropology, between interpretivists (Geertz, 1976, 1983) and comparativists (Munroe and Munroe, 1991), and in psychology between cultural psychologists (Shweder, 1991) and cross-cultural psychologists (Smith and Bond, 1998). In the literature on international differences in organizations, the divide is manifest in the

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[2] The association between perspectives and methods is not absolute, however. Sometimes, in emic investigations of indigenous constructs, data are collected with survey methods and analysed with quantitative techniques. Likewise, ethnographic observation and qualitative data are sometimes used to support arguments from an etic perspective.

Table 3 Assumptions of emic and etic perspectives and associated methods		
Features	**Emic, or inside, view**	**Etic, or outside, view**
Assumptions and goals	Behaviour described as seen from the perspective of cultural insiders, in constructs drawn from their self-understandings Describes the cultural system as a working whole	Behaviour described from a vantage point external to the culture, in constructs that apply equally well to other cultures Describes the ways in which cultural variables fit into general causal models of a particular behaviour
Typical features of methods associated with this view	Observations recorded in a rich qualitative form that avoids imposition of the researchers' constructs Long-standing, wide-ranging observation of one or a few settings	Focus on external, measurable features that can be assessed by parallel procedures at different cultural sites Brief, narrow observation of more than one setting, often a large number of settings
Examples of typical study types	Ethnographic fieldwork; participant observation along with interviews	Comparative experiment treating culture as a quasi-experimental manipulation to assess whether the impact of particular factors varies across cultures

Source: Morris et al. (1999: 783).

contrast between classic studies based on fieldwork in a single culture (Rohlen, 1974), as opposed to surveys across many (Hofstede, 1980). Likewise, in the large body of literature on organizational culture, there is a divide between researchers employing ethnographic methods (Gregory, 1983; Van Maanen, 1988) and those who favour comparative survey research (Schneider, 1990).

Given the differences between the two approaches to culture, it is hardly surprising that researchers taking each perspective have generally questioned or ignored the utility of integrating insights from the other tradition. A common tendency is to dismiss insights from the other perspective based on conceptual or methodological weaknesses (see Chapter 2 for an extended explanation). Some scholars, however, recognize that the two are in fact best seen as complementary, and have suggested that researchers should choose between approaches depending on the stage of the research programme. For example, it has been argued that an emic approach serves best in exploratory research, whereas an etic approach serves best in testing hypotheses.

Some scholars (i.e. Berry, 1990) propose a three-stage sequence. In the first stage, initial exploratory research relies on 'imposed-etic' constructs – theoretical concepts and measurement methods that are simply exported from the researcher's home culture. In the second stage, emic insights about the other culture are used to interpret initial findings, with an eye to possible limitations of the original constructs, such as details that are

unfamiliar or meaningless outside of the home culture. On this basis, then, the constructs in the model are *filtered* to eliminate details that cannot be measured with equivalence across cultural settings. The factors that survive this filter – 'derived-etic' constructs – are culture-general dimensions of persons, such as value orientations, or of their environments, such as economic or ecological factors. In the third and final stage, the researcher tests an explanation constructed solely of derived-etic constructs (Morris *et al.*, 1999).

Sequential selection models, such as the one from Berry (1990), have been influential in guiding psychological and organizational researchers in their approaches to culture. Yet these analyses only begin to explore the synergies between perspectives. Although they address the role of emic insights in refining etic explanations, they say little about how etic insights stimulate emic investigation. In fact, they do not lead to the full integration of both research streams. Thus far, there have been only limited attempts in that direction (i.e. Morris *et al.*, 1999).

The plea for full integration is based on the fact that the different strengths of the two approaches create complementarities. Findings from the two perspectives could challenge each other and stimulate each other's new questions. Moreover, the two kinds of explanation could complement each other in contributing to rich accounts of culture. The emic and etic perspectives each provide only half of the explanation of culture. Because emic studies tap into the explanations held by cultural insiders, the emic perspective leads inherently to an emphasis on the causes of phenomena that are internal and local to the cultures and organizations being studied. Because etic perspectives attune one to relationships between external structural variables and behaviours, a functionalist story is more likely to result.

The lack of general awareness (outside the small group of scholars) of the complexity of the concept of culture and of the different analytical possibilities to carry out research on culture spurs this book on to cover extensively major studies within the national and organizational culture field of research, as well as to treat the special methodological problems that are often overlooked. It is felt that, in order to get a clear understanding of cultural research, it is essential to understand the ways in which research is, or ought to be, carried out. In Chapters 2 and 3, national and organization culture research, respectively, are discussed in depth. In these chapters the methodological issues and dilemmas of the cultural approach are explained in a more detailed way.

The institutional approach

Since the mid-1970s, comparative organizational analysis based on the institutional perspective have proliferated. In a similar way to cultural research, institutional analysis formed a challenge for the universal theory of the contingency perspective. Institutionalists in particular criticized the fact that contingency theorists implicitly generalize the results of empirical studies based on a population of organizations limited to a single society or family of societies, thus, promoting them to the status of universal, theoretical propositions. Institutionalists argue that such a research approach cannot but lead to finding evidence of convergence.

In contrast to contingency theorists, comparative institutional research focuses on comparisons that highlight differences that cannot be attributed to different goals, contexts, environments or strategies of enterprises. Their interest is focused on differences between organizations that cannot be attributed to common explanatory variables in